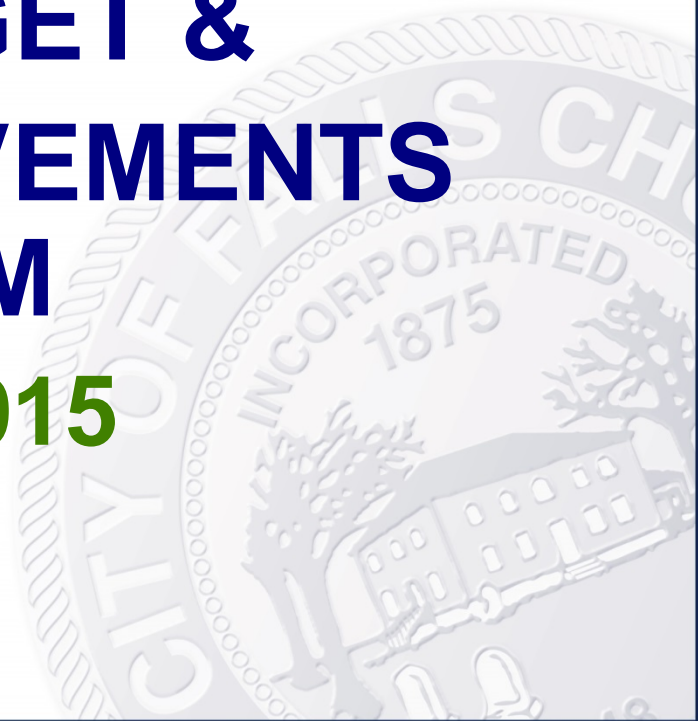


# **City of Falls Church**

## **FY2016 BUDGET & CAPITAL IMPROVEMENTS PROGRAM**

**March 14, 2015**



# The Little City on the Move

- The City Council has established key priorities:
  - Economic Development
  - Investment in Infrastructure
- The results of this focused leadership are being seen and gathering momentum



# Park Improvements

- Howard Herman Stream Valley Park
- West End Park
- Tinner Hill Historical Site
- Turf and Track Replacement GMHS



# Stormwater Improvements

- Preventing local flooding
- Improving Water Quality
- Taking Care of Aging Infrastructure



# Investment in Facilities



- Thackrey Pre-School
- Mount Daniel Elementary
- City Hall Public Safety  
Evidence Storage Facility  
911 Dispatch Equipment



# Private Construction

- Northgate
- Hilton Garden Inn
- Good Fortune
- Reserve at Tinner Hill
- Harris Teeter



- Walkable, attractive new commercial and mixed use development to the City.
- Growing the Tax Base:
  - \$88 million in 2014
  - \$1.1 million in tax revenue for FY16

# Era of New Challenges, New Opportunities, New Complexity

- Regional Transportation Initiatives
- Population Growth:
  - 10% growth 2010 – 2013
- Technological Change
- Preparedness and Resilience
- Environmental Sustainability
- Maintaining Affordability, Community Character, and Quality of Life



# Budget Summary

	Proposed FY2016	\$ Change	% Change
General Government	\$ 35,698,820	\$ 531,810	1.5%
School Transfer	38,813,100	1,953,570	5.3%
Debt Service *	5,830,730	816,606	11.8%
CIP (Pay-as-you-go)	872,000	(280,000)	-8.4%
Transportation (DRPT Funds)	1,111,514	(1,088,486)	-49%
Fleet Replacement (Debt)	384,000	225,000	142%
Building Safety (Fee Reserve)	357,990	357,990	
<b>Total</b>	<b>\$ 83,068,154</b>	<b>\$ 2,516,490</b>	<b>3.1%</b>

# Council Budget Guidance

- No tax rate increase for General Government expenditures.
- Competitive employee compensation
- Building permit fee reserves for new construction.
- Multi year forecasts
- Fleet replacement plan
- Comply with adopted financial policies

# Real Estate Tax Rate:

	Growth FY15 to FY16	
Organic Revenue Growth	\$ 3,124,822	4.1%
Debt Service Increase	(816,606)	
FY15 Use of FB for Operations	(1,228,000)	
Resulting Funds for FY16	\$ 1,080,216	1.5%
<b>Expenditure Limit for No Increase in Tax Rate:</b>		
General Govt Operating Costs	\$ 531,810	1.5%
School Transfer	\$ 549,000	1.5%
School Board Request	1,953,570	5.3%
Unfunded Amount	1,404,570	
Required Tax Rate Increase:	<b>4 Cents</b>	<b>\$1.345</b>

# Revenue Summary

## (General Fund)

	Proposed FY2016	\$ Change	% Change
Real Estate Tax	\$50,220,000	\$3,913,000	8.4%
Local Taxes	20,078,000	190,300	1.0%
Permits & Licenses	1,484,412	465,412	45.7%
State & Federal	4,233,251	(1,159,883)	-21.5%
Service Charges	3,570,231	(5,000)	-0.1%
Other	1,504,260	114,260	8.2%
Designated Reserves	2,008,000	(972,000)	-32.6%
<b>Total</b>	<b>\$83,098,154</b>	<b>\$2,546,490</b>	<b>3.2%</b>

# FY2016 Assessed Values:

**Single Family: + 3.7%**

**Townhouses: + 5.8%**

**Condos: + 5.7%**

**Commercial: - 1.2%**

**Apartments: + 35%**

**Overall: + 4.8%**

**Total Assessed Value: \$ 3.7 billion**

**Total AV Growth: \$177 million**

**New Construction: \$ 88 million**

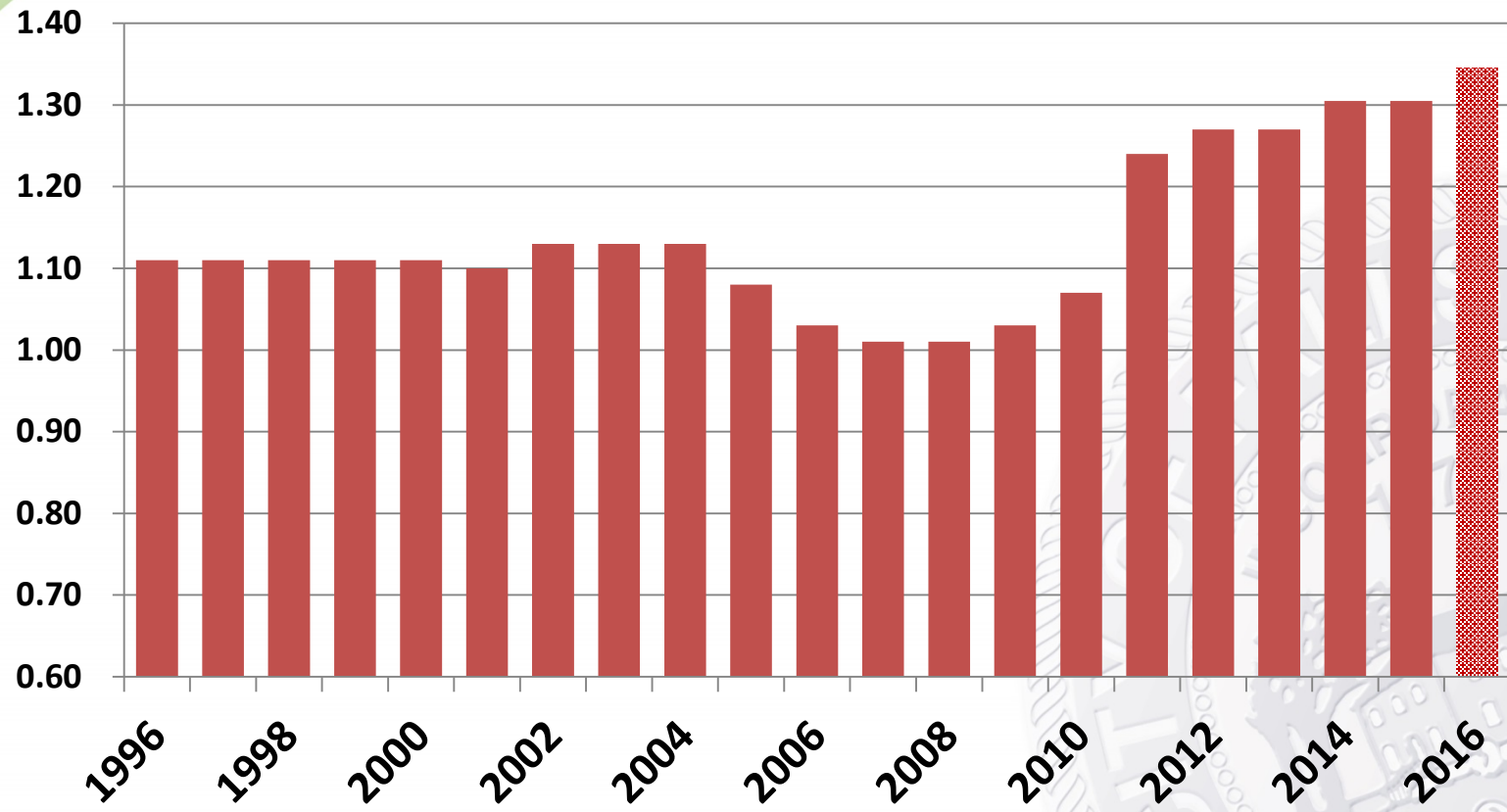
# RE Tax Rates in Region

2015 (Proposed To Date)

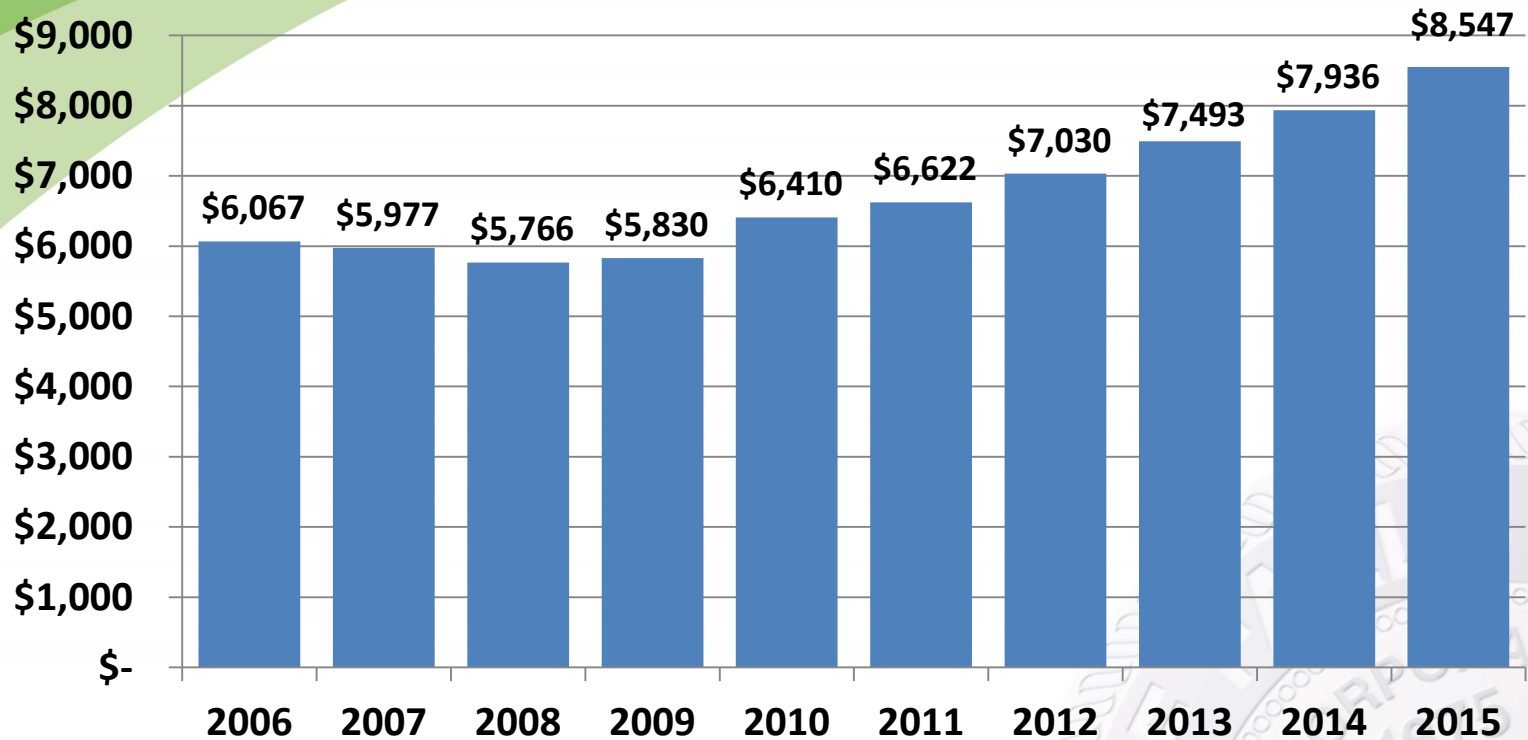
	TY2015	Extras	Comparable Tax Rate
Manassas Park City	\$ 1.650		\$ 1.650
Purcellville Town	1.415		1.415
Manassas City	1.368		1.368
Herndon Town	1.355		1.355
Falls Church City	1.345		1.345
Leesburg Town	1.338		1.338
Vienna Town	1.319		1.319
Prince William Co	1.223		1.223
Loudoun Co	1.13	0.050	1.18
Fairfax County	1.090	0.108	1.199
Fairfax City	1.040	0.010	1.050
Alexandria City	1.043	0.063	1.106
Arlington Co	0.996	0.058	1.054
AVERAGE	1.25	0.05	1.28

# Tax Rates over Time

RE Tax Rate



# Median Home Tax Bill

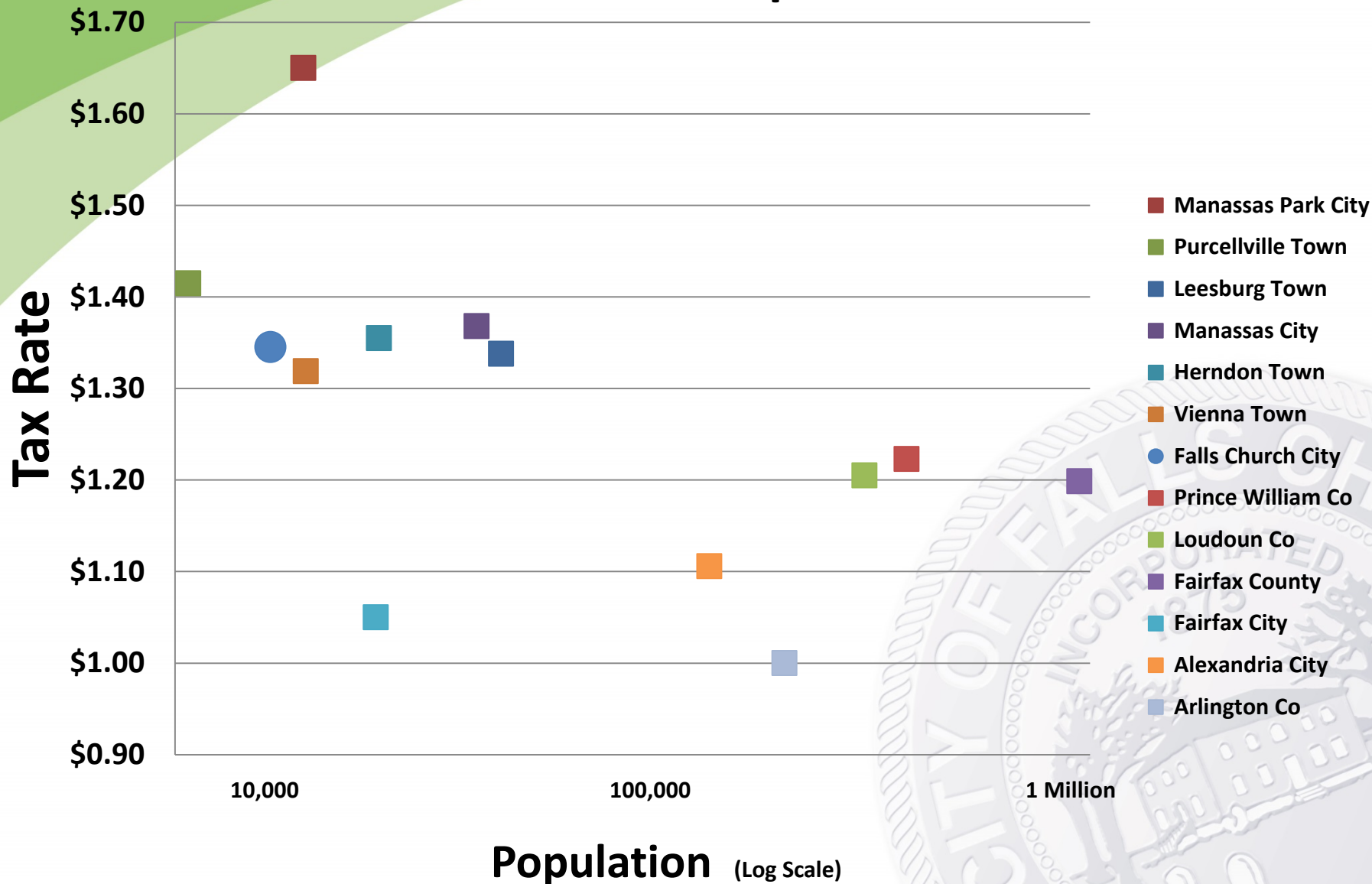


**2015 median home value: \$643,900**

**2015: \$611 increase, \$354 due to assessment growth\*, \$257 due to 4 cent tax rate increase.**

**\* does not include value of new home construction.**

# Tax Rate and Population



# Assessed Value by Property Class

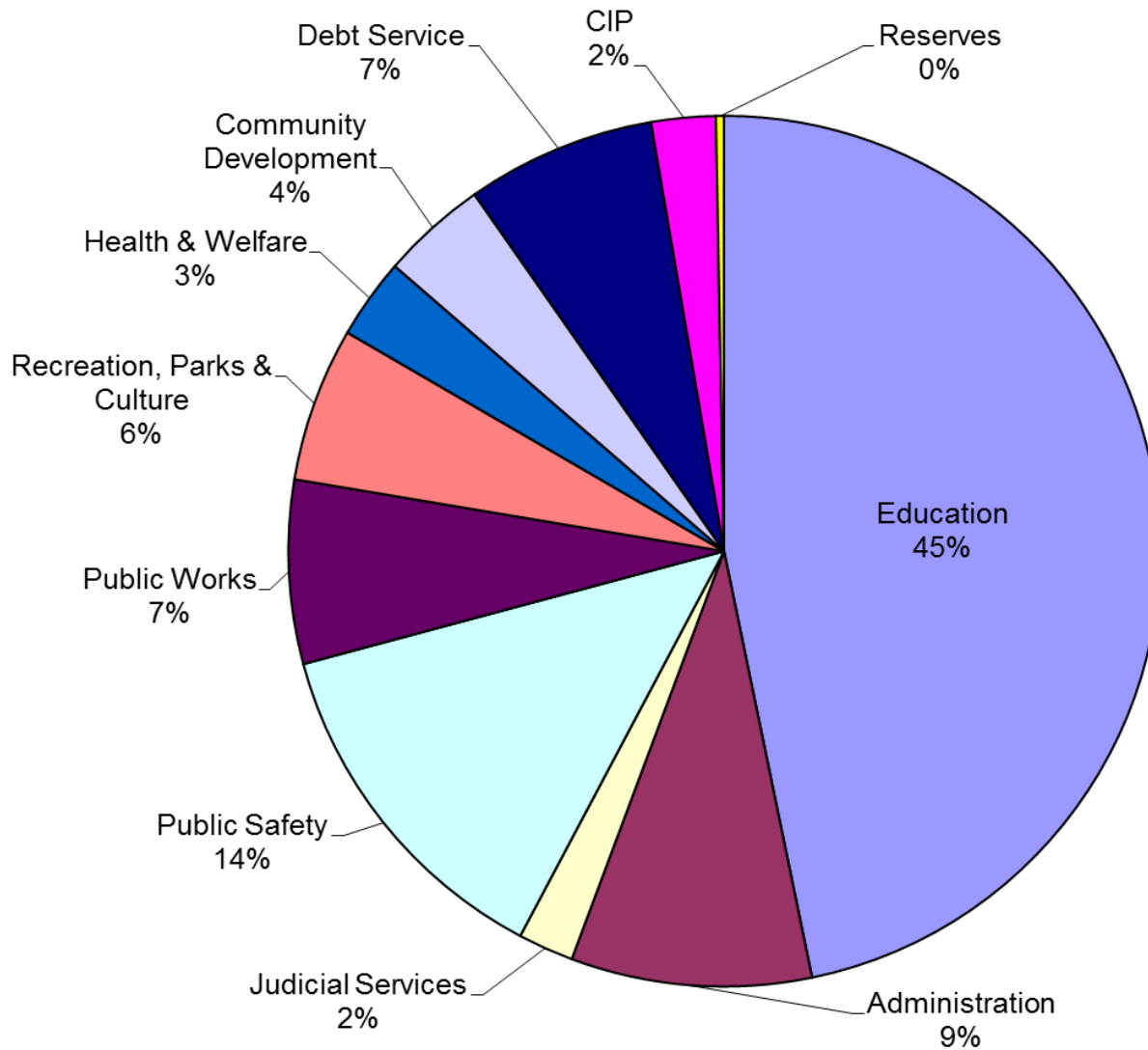
2014	Residential	Apartments	Commercial
<b>Fairfax City</b>	<b>62</b>	<b>5</b>	<b>33</b>
<b>Alexandria</b>	<b>57</b>	<b>15</b>	<b>28</b>
<b>Arlington</b>	<b>51</b>	<b>19</b>	<b>30</b>
<b>Falls Church</b>	<b>73</b>	<b>6</b>	<b>21</b>
<b>Fairfax Co.</b>	<b>74</b>	<b>6</b>	<b>20</b>

# **136 School Districts in Virginia**

## **Local Composite Index for State Funding of Public Education**

<b>ARLINGTON</b>	<b>0.80</b>	<b>SHENANDOAH</b>	<b>0.37</b>
<b>FALLS CHURCH</b>	<b>0.80</b>	<b>ROANOKE COUNTY</b>	<b>0.37</b>
<b>FAIRFAX</b>	<b>0.76</b>	<b>CHESTERFIELD</b>	<b>0.35</b>
<b>LOUDOUN</b>	<b>0.57</b>	<b>KING WILLIAM</b>	<b>0.34</b>
<b>LEXINGTON</b>	<b>0.51</b>	<b>STAFFORD</b>	<b>0.33</b>
<b>MADISON</b>	<b>0.45</b>	<b>PAGE</b>	<b>0.31</b>
<b>HENRICO</b>	<b>0.43</b>	<b>BLAND</b>	<b>0.30</b>
<b>FRANKLIN COUNTY</b>	<b>0.42</b>	<b>PATRICK</b>	<b>0.29</b>
<b>VIRGINIA BEACH</b>	<b>0.41</b>	<b>GALAX</b>	<b>0.28</b>
<b>BRISTOL</b>	<b>0.38</b>	<b>CAMPBELL</b>	<b>0.27</b>
<b>PRINCE WILLIAM</b>	<b>0.38</b>	<b>PRINCE GEORGE</b>	<b>0.25</b>
		<b>HOPEWELL</b>	<b>0.24</b>
		<b>LEE</b>	<b>0.18</b>

## FY2016 Expenditures



# Employee Compensation

- **Goals:**
  - Recruit and retain high performing work force
  - Implement Compensation Study Recommendations
- **Salary:**
  - 2.5% merit increase
  - 3.0% step increase for Police; 0% cola
  - In line with regional local government proposals for competitiveness

# Employee Compensation Study

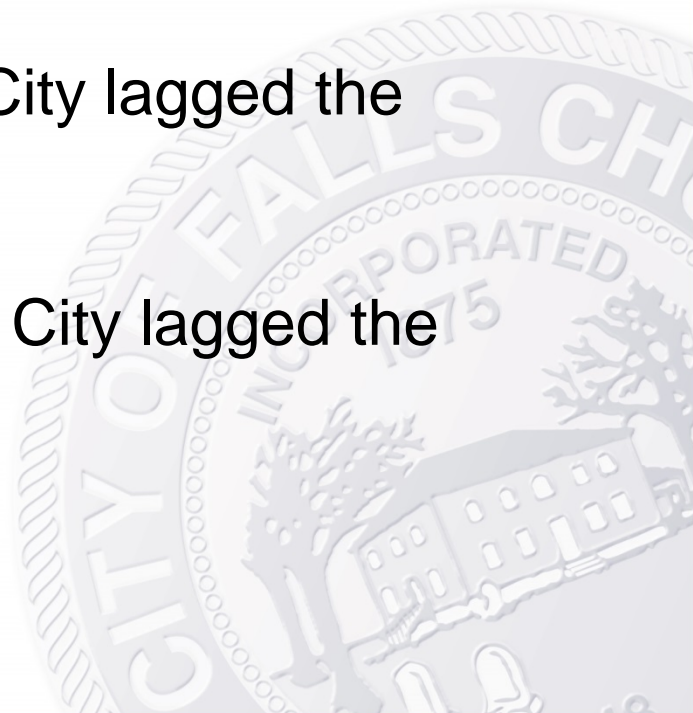
Compared with nine localities in NVRC

City of Alexandria  
Fairfax County  
Prince William Co.  
Town of Leesburg  
Town of Vienna  
City of Fairfax  
City of Manassas  
Town of Herndon  
Arlington County

Market minimum, the City lagged the market by 1.14%

Market midpoint the City lagged the market by 3.74%

Market maximum the City lagged the market by 6.85%



# Employee Compensation

- 16 employees below market minimum
- Police officers: compensation adjustment to bring them in line with the step plan.
- Cost: \$65,000 (.5% of payroll)
- Implemented in FY15 and included in FY16 Budget

# Building Safety

- Since 2011
  - 68% increase plan reviews
  - 100% increase in CO applications
- Major Mixed Use Projects are Time Intensive
  - Tinner Hill: 15,488 electrical fixtures; 2,341 plumbing fixtures
  - Complexity: Structural, Fire Safety, sophisticated systems
- Failure is not an option



# Additional Positions

**Funded solely by Building Permit Fees**

**2.5 positions filled in FY15:**

- Administrative Technical Support
- Senior Plans Reviewer and Inspector
- Part time Fire Safety Plan Reviewer & Inspector

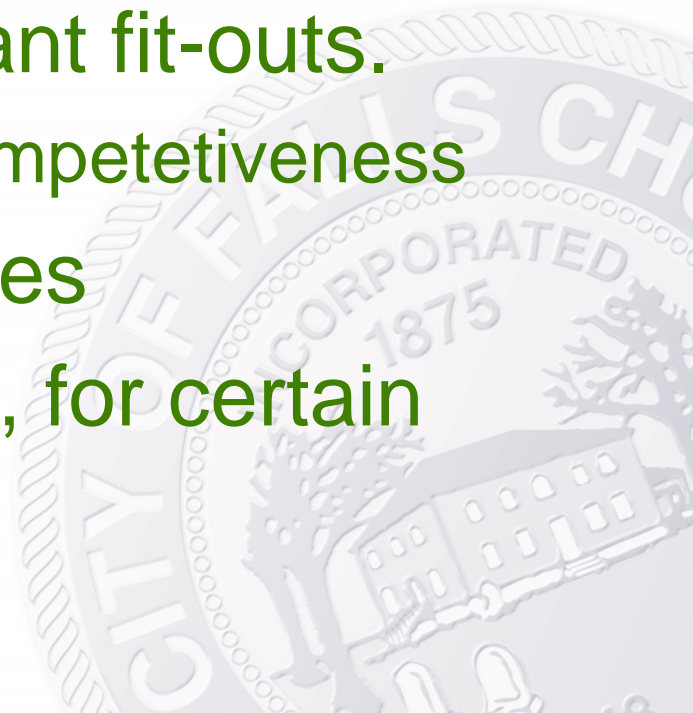
**1 Additional position proposed:**

- Structural Engineer/Building Plan Reviewer



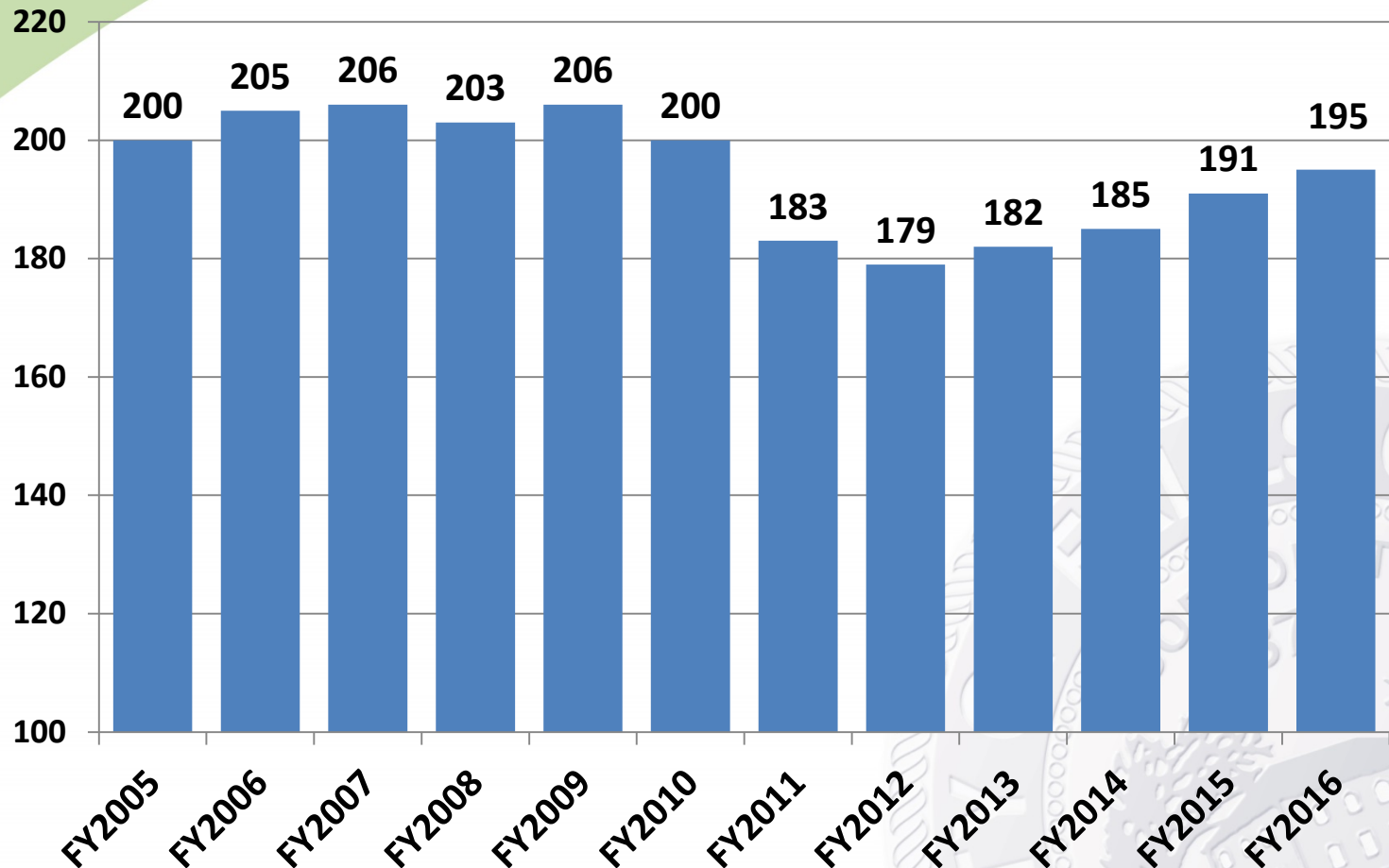
# Goals for Building Safety

- Ensure that current major projects get attention they require and are built safely.
- Prioritize commercial tenant fit-outs.
  - Important for economic competitiveness
- Shorten Plan Review Times
- Provide walk-thru permits, for certain simple projects



# Positions Over Time

## (General Fund)



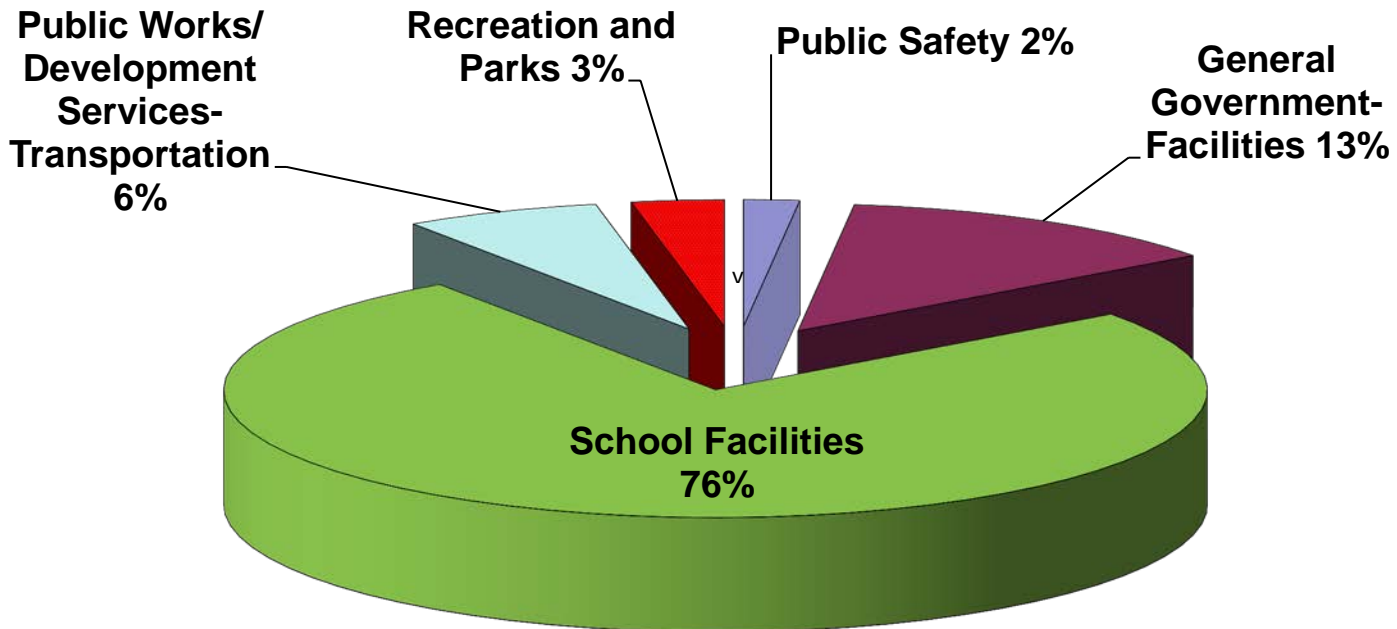
All new positions in FY16 are supported by special purpose fees, not general taxes.

# Priorities for Future Funding

- **Voter Machines:** \$200,000
- **Police Radios:** \$582,000
- **Annual Paving:** \$1,000,000
- **Sidewalk Maint:** \$300,000
- **IT Refresh (annual):** \$115,000
- **Internal Auditor:** \$130,000
- **Transportation Planner:** \$110,000
- **Total:** \$5.2 million

# Capital Improvements Program FY2016-FY2020

## Capital Improvements Program General Fund FY2016-FY2020 (All Funding Sources)



# City Hall/Public Safety Improvements

## Funding in FY2016

### Taskforce recommendations:

- Parking Deck: \$750 k
- HVAC: \$1.25 M
- Interior Renovation:  
\$1.75 M
- North Addition: \$1.50 M

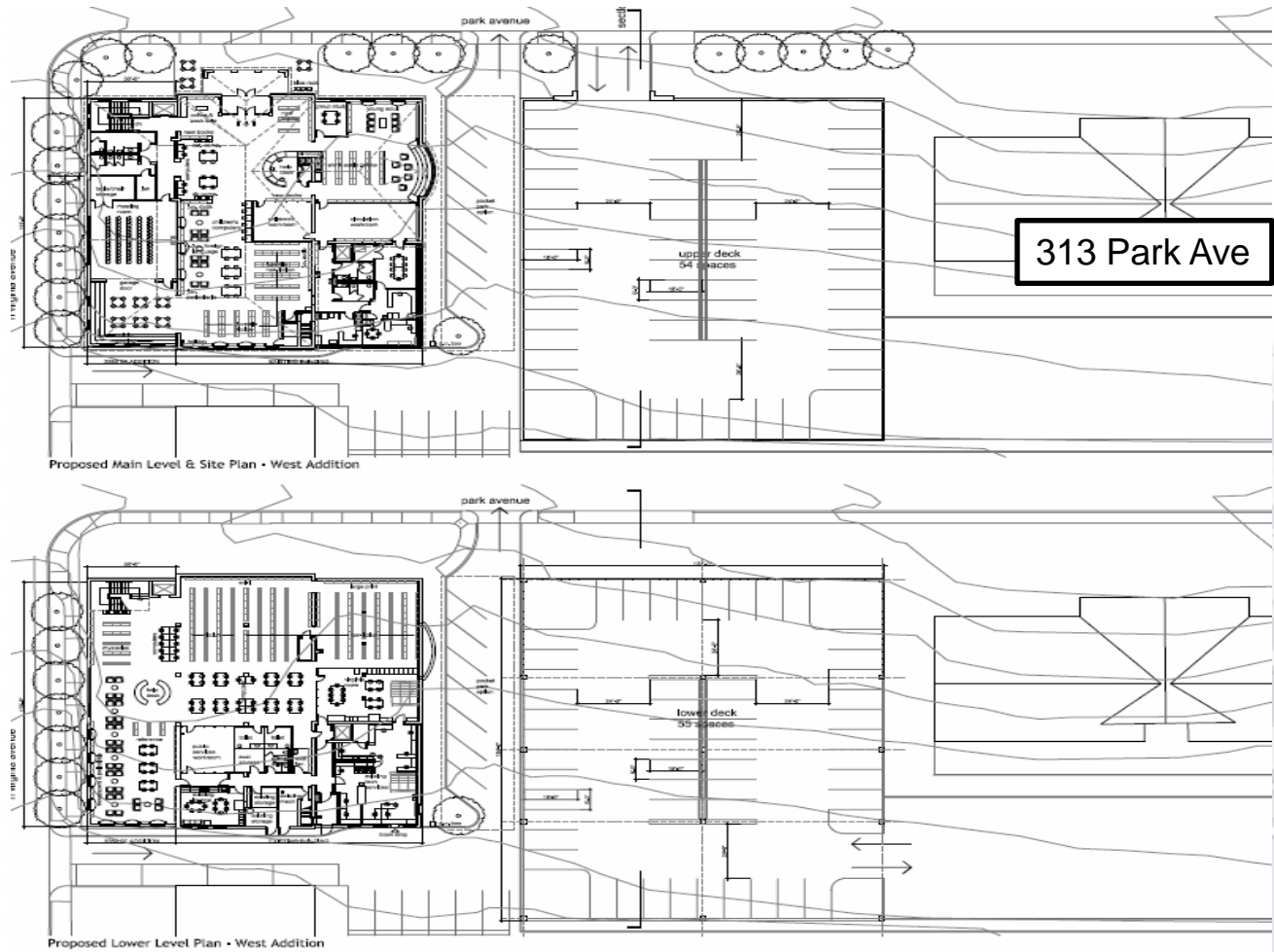


# Mary Riley Styles Library & Parking

## Funding in FY2018 & FY2019

**Expansion &  
Renovation: \$8M**

**Shared Parking  
deck:  
\$3M  
(55 new spaces)**



# George Mason High School

Funding in FY18

Ongoing study to determine  
scope, cost, plan of finance



FALLS CHURCH SCHOOL SITE CAPACITY STUDY

SEPTEMBER 25, 2014



March 14, 2015

# Capital Improvements Program

## (Not Including Utilities)

	FY2016	Five Years
Public Safety	\$ 600,000	\$ 2,600,760
Public Facilities *** (includes Gen. Govt., Library & Schools)	7,500,000	125,541,610
Transportation	2,080,000	9,125,000
Parks & Recreation	872,000	4,320,000
<b>Total</b>	<b>\$11,052,000</b>	<b>\$141,587,370</b>

\*\*\*School & Library projects require a referendum.

# **Downtown CIP – Potential Components (\$600k Funding)**

- **N Washington St (Broad to Park Ave)**
  - Nubs at Park Place & Park Avenue & New Crosswalk
  - Replace concrete sidewalks w/ Brick Pavers
  - Replace “Town & Country” streetlights w/ Acorn LED
- **W Broad St (Washington to Little Falls)**
  - Sustainable understory plantings (shade & root tolerant)
  - Water connections & electric outlets on N side
  - Refurbish existing paver sidewalks
- **Streetlights & Traffic Signals**
  - Replace 3 signals at Broad/Wash with Pedestrian Lighting
  - Convert City Acorns to LED (Lawton to Haycock)
  - Refurbish and repaint streetlights (Lawton to Haycock)

# Downtown CIP – Illustrations

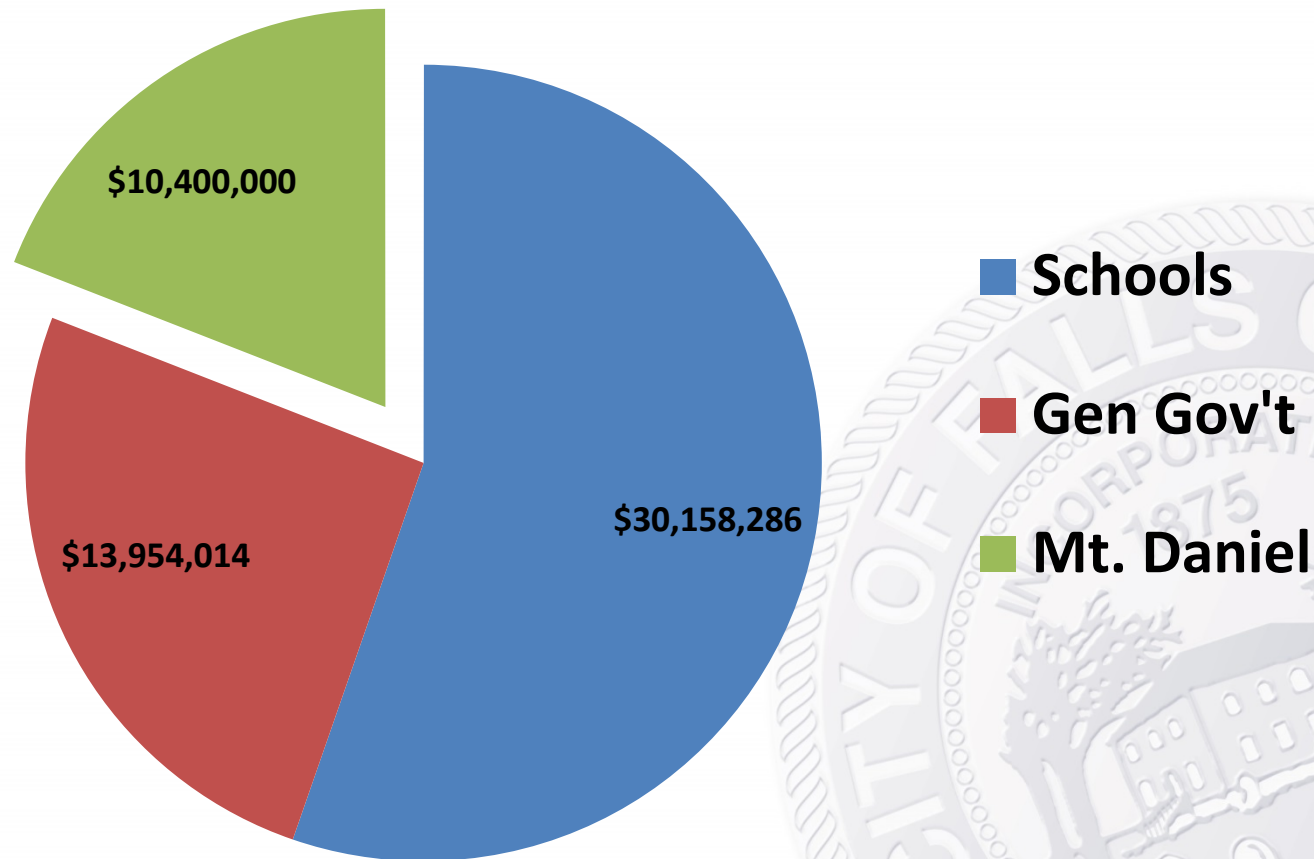
## 100 Blk N Washington



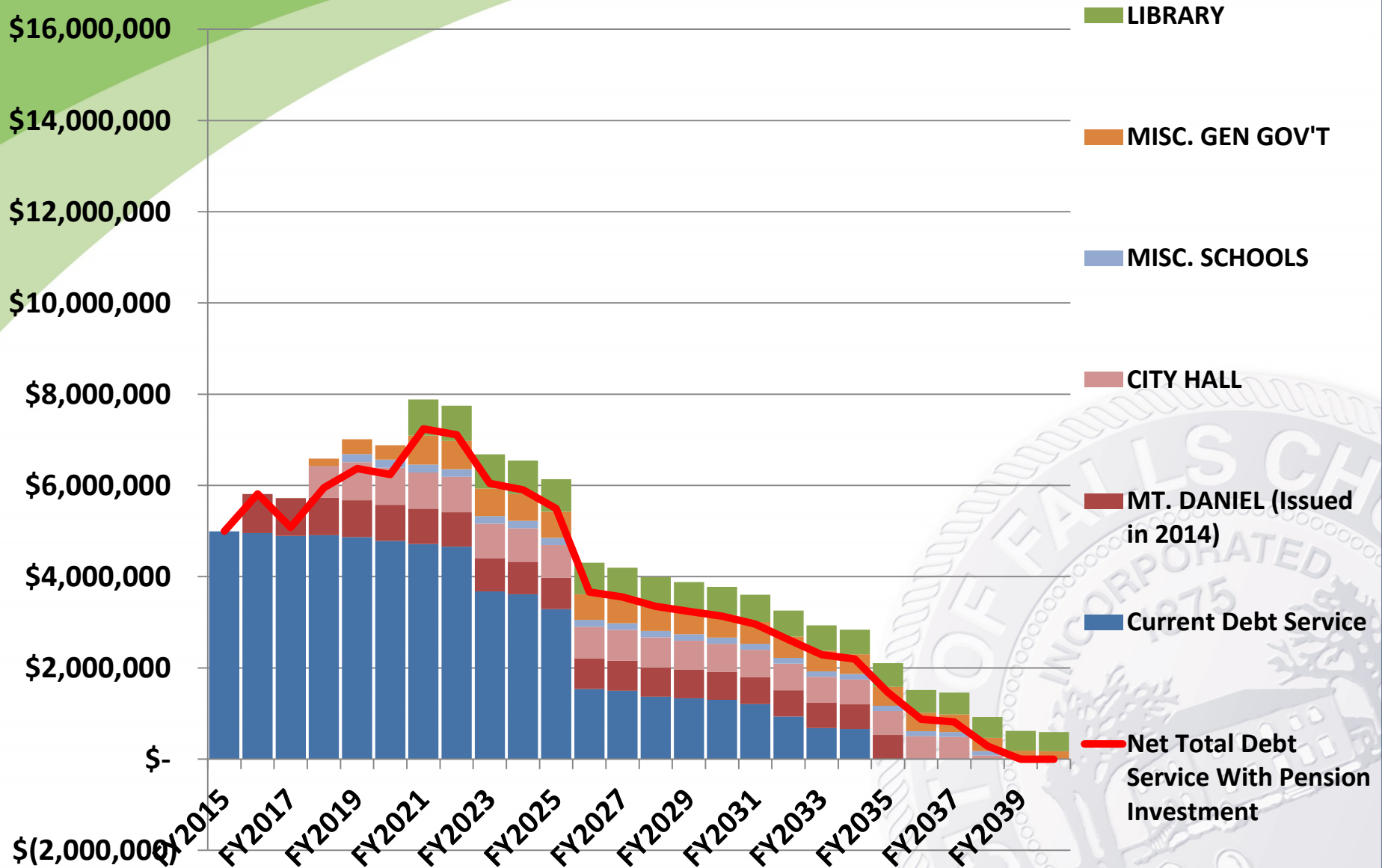
## Park Ave/ N Washington



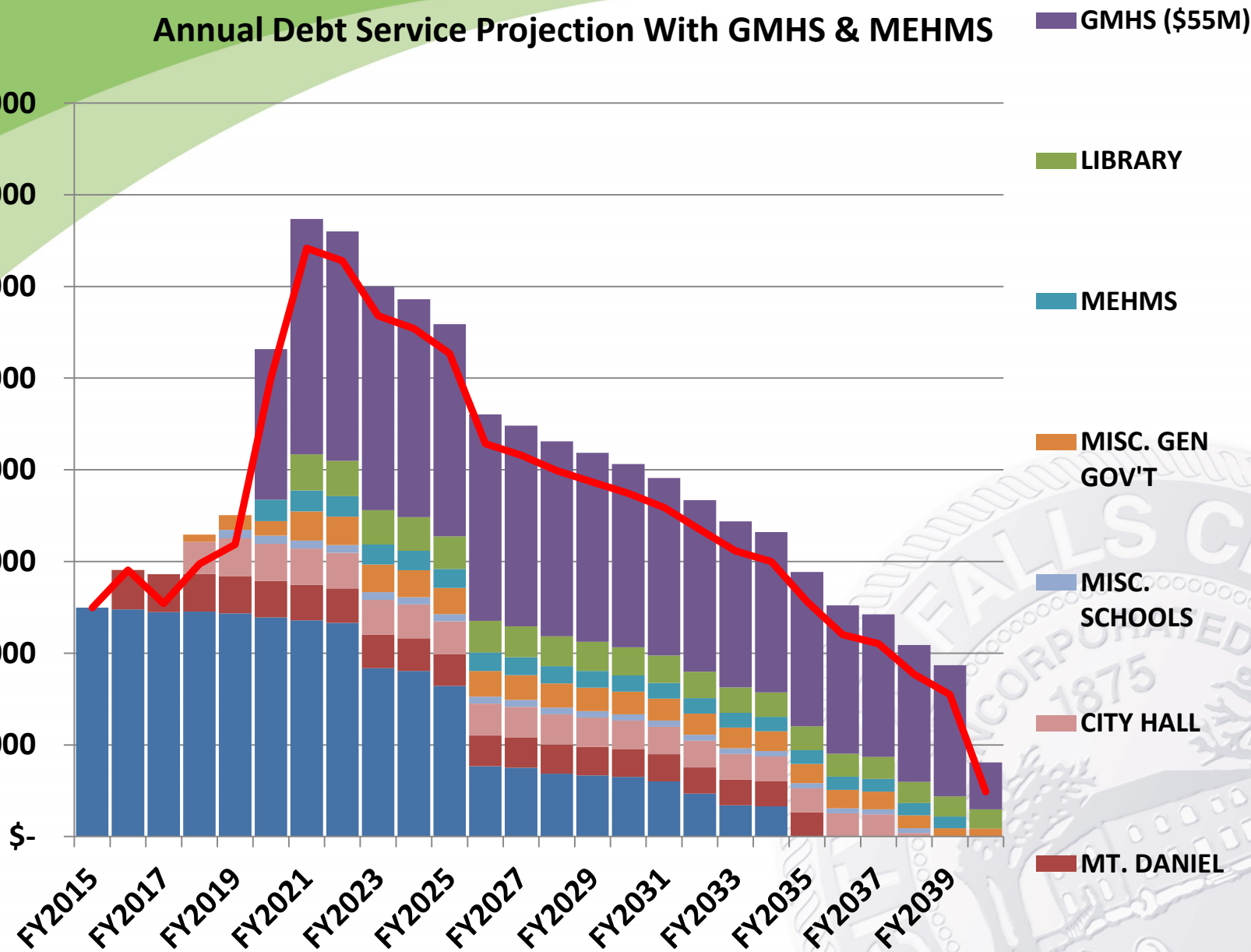
# Outstanding Tax-Supported Debt December 2014



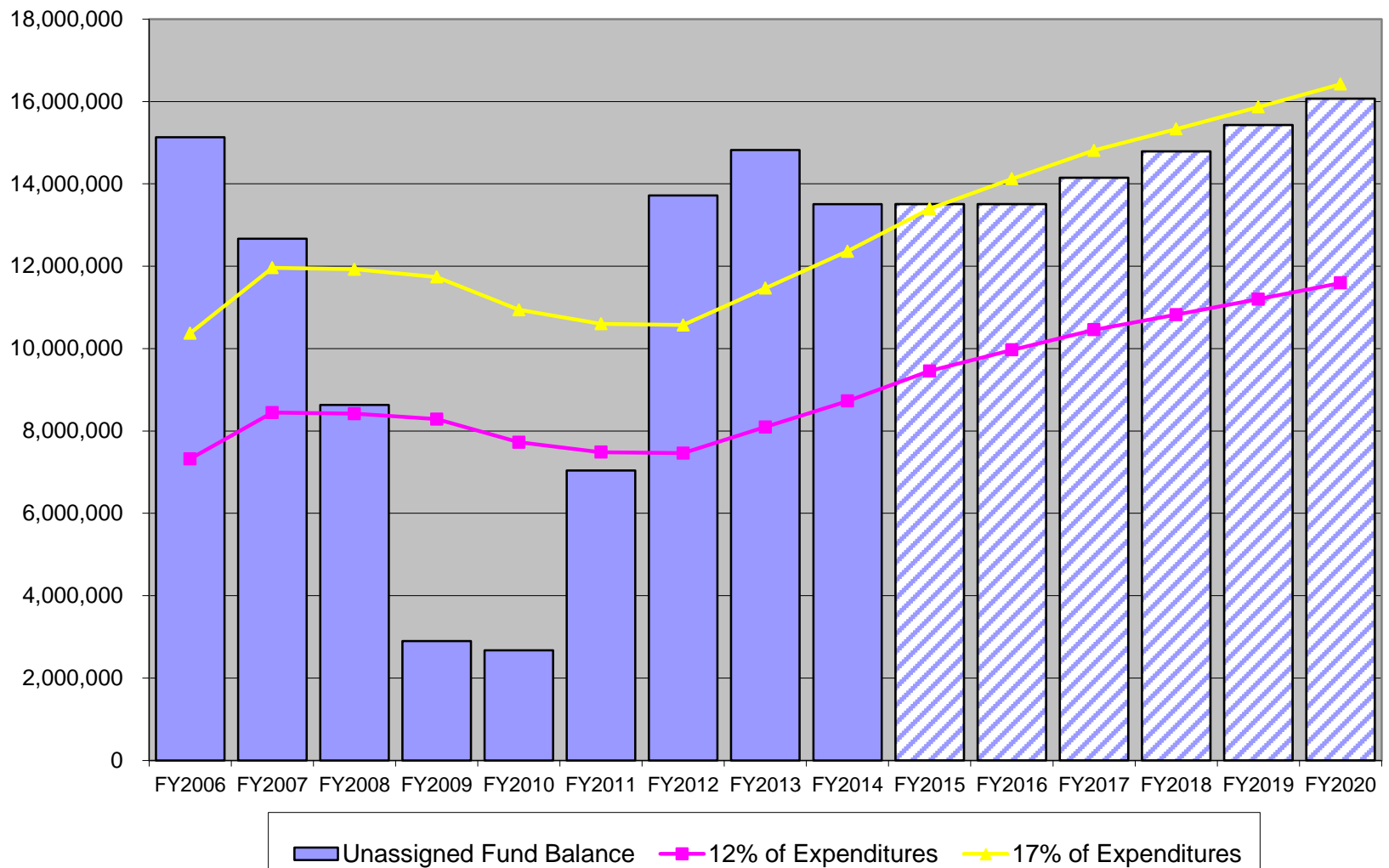
# Annual Debt Service Projection



# Annual Debt Service Projection With GMHS & MEHMS

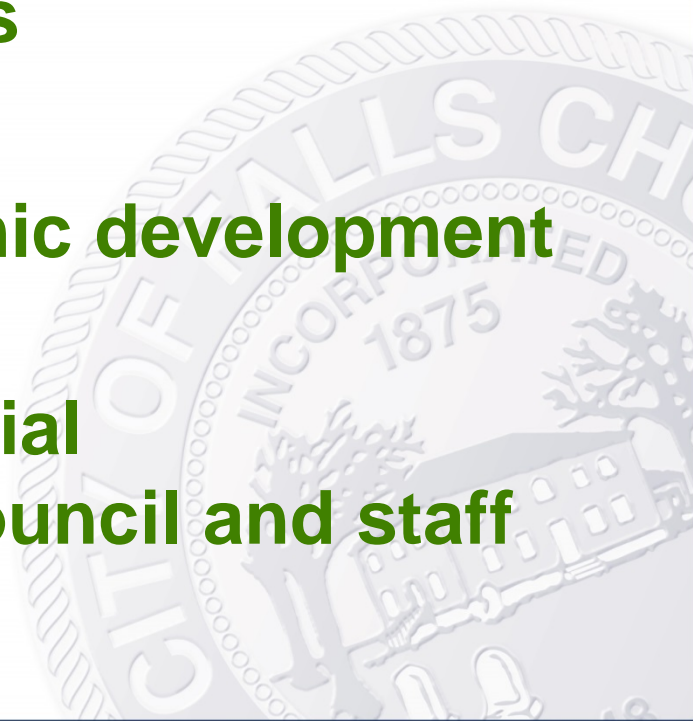


# Fund Balance



# Capital Capacity Strengths

- **AAA / AAA / Aa+ ratings are indication of strength:**
  - ✓ **Fund balance at policy target**
  - ✓ **Strong Capital Reserves**
  - ✓ **Fully funded pensions**
  - ✓ **Significant new economic development in the City**
  - ✓ **Record of strong financial management by City Council and staff**



# Operating Budget Summary

- “Organic” revenue growth: **4.1%**
- General Government: **1.5%**
- School Board request: **5.3%**
- Additional revenue required: **\$1.4M**  
4.0 cents on the RE Tax Rate
- Recommendation: Advertise RE Tax  
Rate of \$1.345 per \$100

# Budget Schedule

- **March 16: Open House & Work Session**
- **March 23: Public Hearing & CIP**
- **April 6: Work Session**
- **April 11: Town Hall Meeting**
- **April 13: Public Hearing & Meeting**
- **April 20: Work Session**
- **April 27: Adopt FY2016 Budget**



# Public Information & Comment

- All Budget Presentations and data can be found at:

[www.fallschurchva.gov/budget](http://www.fallschurchva.gov/budget)

- Send comments to:  
**[budget@fallschurchva.gov](mailto:budget@fallschurchva.gov)**

